



Meeting Summary
North Carolina 911 Board
Funding Committee
Thursday May 7, 2015
OSC Conference Room Kitty Hawk
3514-A Bush St, Raleigh NC

<u>Members Present</u>	<u>Staff Present</u>	<u>Guests</u>
Jason Barbour	Richard Bradford	Tammy Aldredge byphone
Randy Beeman	Dave Corn	Stanley Kite by phone
Dave Bone by phone	Marsha Tapler	Jeff Shipp
Len Hagaman by phone	Richard Taylor	Rick Thomas by phone
Del Hall		
Tanya Pierce by phone		
Laura Sykora		
<u>Members Absent</u>	<u>Staff Absent</u>	
Andrew Grant	Tina Bone	
Wesley Reid	David Dodd	

Tab 1 Chair's Opening Remarks

Vice Chair of the Committee, Len Hagaman called the meeting to order at 9:46 AM. Jason Barbour was in transit. Richard Taylor called the roll.

Tab 2 Funding Reconsiderations

Funding Reconsideration for Bladen County

Richard Taylor announced that upon reviewing their application there were too many unanswered questions to discuss their application today. Richard will work with Bladen County for clarification. He also advised the Committee they are also seeking a Grant.

Funding Reconsideration for Brunswick County

Brunswick County is asking for their funding to not be reduced. Large purchases were made in the previous fiscal that would have significantly drained their fund balance. However the project was delayed so payment was delayed into this fiscal year creating an excessively large fund balance prompting the system to reduce their annual allotment even though those funds were encumbered and will be paid out in this fiscal year reducing their fund balance to 20%. Staff is recommending Brunswick County stay at the current compensation levels and not reduce their funding. The recommendation is to not use the 5 year rolling average. Randy Beeman moved to accept Staff recommendation. Motion seconded by Del Hall. All voted to approve.

Tab 3 Administrative Line Discussion

The Work session is coming up this month with the Board. The Easy Button concept will be discussed. Jason requested the Funding Committee be at the Board Work Session so there would be a good discussion between the Board and the Committee.

Administrative line costs stand out as costs that vary greatly between PSAPs. Richard Taylor showed a chart of what the PSAPs are paying. Some counties are paying a great deal more than others and some counties are not using 911 funds at all to pay for administrative lines. What PSAPs are paying for administrative lines is all over the board. He suggested this might be an appropriate “East Button” problem to solve.

Last month in the Funding Committee meeting Richard Taylor recommended that there be a cap on administrative lines. At that time Richard Bradford suggested that the committee do all expenses or no expenses. Mr. Bradford corrected that statement today by explaining that all expenses that could be categorized in similar fashion could have a cap. He went on to explain that he sees this as a data driven exercise more than anything else and that from a legal perspective some PSAPs will fall outside whatever value the committee prescribes for a particular item. Since previously that item was reimbursed at one rate and now it is reimbursed at another rate there are bound to be complaints. He suggested that legally the committee is making a fiscal decision without going through the rule making process. Richard Bradford did not recommend that. He agrees that the basic idea is sound. And he further opined that the Committee cannot do this, but these kinds of issues might arise and they will have to be dealt with.

Randy Beeman opined would it not be suitable for the 911 Board to work with OITS to negotiate administrative line rates and pay for all administrative lines directly? Richard Bradford replied that he is not saying the Committee cannot pursue what they were discussing earlier or Randy’s suggestion now, but the Committee needs to understand the potential consequences in whatever action they may take.

Richard Taylor interjected that some PSAPs are paying hundreds of more dollars per month than they need to. They are not being good stewards of the Fund because they could be using that money for

something else in their PSAP and we are not being good stewards of the 911 Fund for allowing it to occur. Richard Bradford agreed.

Randy Beeman asked if we could define what an administrative line is. Laura Sykora replied that she did not think we have the authority to purchase a particular kind of administrative line.

Dave Corn asked if the Funding Committee had a stronger legal position if administrative line funding went through the Rules process? Richard Bradford replied that Rules are inflexible and funding needs to be flexible and suggested that would not be a very good approach. He further suggested that Randy Beeman's approach of defining what an admin line was a better approach.

Richard Bradford went on to say that if Marsha were to pursue an internal policy of investigating administrative line costs that were excessively high he saw no problem with that as long as the threshold were reasonable. But if the intent is to direct what the PSAPs contract for that is a different story.

Richard Bradford asked Marsha if it is possible to select a few telephone bills and determine what some PSAPs are paying for. If you do that you get an idea of what an administrative line is.

Laura Sykora summarized that the Committee should approach the problem from a definition perspective. Richard Bradford suggested that we should make use of some facts that we already have.

Richard Taylor suggested to the Committee that Dave Corn talk to each PSAP that is over \$100 per admin line or \$0 and find out what the reasoning is. And try to get them below \$100. We want to be able to say this is what the true cost of 911 is and perhaps this is a place to start. Randy Beeman suggested that we are just as concerned about the \$0 as the \$200+ administrative lines.

Jeff Shipp interjected that even with the features on the admin lines there is a state rate and asked is it not as easy as just requiring PSAPs to use the state rate? This would set the precedent of setting the state rate for other systems as well. Richard Bradford replied that the Board does not have the authority to direct PSAPs to purchase off the state contract. It may be a laudable goal and it should be done but that does not mean the Board has the authority to do that today.

Dave Corn asked if the costs are captured along with the definitions of what admin lines are what is the next logical step. Laura Sykora replied that we would take staff's recommendations to the Board but only the definitions. Dave Corn then asked what good are definitions with costs? What have we accomplished? Jason Barbour asked if work stations would not be a better problem than admin lines to undertake? He further opined that putting a percentage on a computer was what he wanted to avoid. The Committee discussed workstations for several minutes.

Tanya interjected that workstations for people that do not exist is a waste of the Fund.

Richard Taylor asked if you have to have a CAD system do you pay for all the modules? So when you buy a computer do you pay for everything on a workstation?

Richard Bradford said the conversation is too general. The details are important and until you get into the details you cannot make changes. Richard Bradford further opined that given the statute the Board

does not have a reasonable ability to be stewards of the Fund. He agreed these issue are frustrating for everyone. Marsha Tapler will be able to do more analysis when she get some help.

Richard Bradford again emphasized analyzing the data.

Richard Taylor suggested that with appropriate research we approve an admin line cost of between \$0 to \$100. Richard Bradford said you could make this an administrative decision. Richard Taylor suggested this could be a policy and any expenses over this amount could be brought to the Committee by the PSAP. Richard Bradford said that in an audit situation an invoice must match the request for 911 funding.

Laura Sykora asked is we must define a workstation like an admin line and Richard Taylor replied that everything must be defined. Laura Sykora then summarized that we will define admin lines and workstations and a range of costs. Jeff Shipp brought up the state rate again and the discussion was continued but was inconclusive.

Tab 4 Discussion – In-house/Functions Language

Richard Bradford explained why he recommended delaying a vote on in-house invoicing. He suggested the accounting was very old fashioned. Marsha has put data together and wants an invoice that speaks to what maintenance is covered. Richard Bradford says the idea is not bad but some counties may not meet the Board's intent based upon how they do their accounting. It could be a problem for a county that provides both internal and external services due to internal cost allocation and cost recovery.

Marsha suggested that we need to make the invoices consistent. She is looking for a common methodology of invoicing. She presented an acceptable invoice style.

Richard Bradford explained that part of the paradigm are PSAPs trying to pay for their IT organization through the Fund as a revenue center.

Richard Taylor would like for the Board to pay for implemental functions and that it be documented through an invoice.

Jason says he will present to the regular board meeting invoicing for implemental function.

Tab 5 Discussion – Easy Button and Other

Richard Taylor introduced the concept of paying each county based upon the number of seats. Richard Bradford suggested this was a very complex issue.

Richard Taylor has a question he did not know how to answer it. He explained that a PSAP has a primary and a backup center and the infrastructure is located at a third location. They are asking to pay for a UPS and generator for the third location. PSAP has back up servers UPS and generator where there servers are located. Do we pay for maintenance of the generator and UPS at this location for just those servers?

The Committee discussed the matter and concluded this set up is dangerous. The Committee expressed concern that there was no backup servers or technical infrastructure. There is no technical redundancy. Randy Beeman suggested that we will pay for technology at the backup eliminating the technical redundancy. Laura Sykora suggested they move some of their infrastructure. Jason Barbour suggested we encourage them to get a second set of hardware. Jason Barbour asked for a letter stating the Board's concern. Richard Taylor suggested the IT Director is making these decisions. No decision was made by the Committee

Meeting Adjourned at 12:19.